

ASSESSING THE PROGRESS OF PERFORMANCE MANAGEMENT IN THE DISTRICT OF COLUMBIA

HEARING

BEFORE THE
OVERSIGHT OF GOVERNMENT MANAGEMENT,
RESTRUCTURING AND THE DISTRICT OF COLUMBIA
SUBCOMMITTEE
OF THE
COMMITTEE ON
GOVERNMENTAL AFFAIRS
UNITED STATES SENATE
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TUESDAY, OCTOBER 3, 2000

U.S. SENATE,
OVERSIGHT OF GOVERNMENT MANAGEMENT, RESTRUCTURING,
AND THE DISTRICT OF COLUMBIA SUBCOMMITTEE,
OF THE COMMITTEE ON GOVERNMENTAL AFFAIRS,
Washington, DC.

The Subcommittee met, pursuant to notice, at 9:35 a.m., in room SD-342, Dirksen Senate Office Building, Hon. George V. Voinovich presiding.

Present: Senator Voinovich.

OPENING STATEMENT OF SENATOR VOINOVICH

Senator VOINOVICH. Good morning. I am going to try to roll along here because we have been told we have a vote at 10:30. So, I will try to move it along as fast as we can. I would like to thank the Mayor and Mr. Mihm for being here today. Today we are discussing the progress of performance management in the District of Columbia. Again, Mayor, welcome. Christopher, nice that you are here.

I think you all know that the Subcommittee held a hearing 5 months ago to discuss the results of the fiscal year 1999 performance accountability report and to discuss the performance goals laid out for this year. Today we have invited the Mayor back to report on the progress made by the District in achieving its performance goals for this year. It is interesting that the District's fiscal year just ended on September 31, so it is the second-year over with for you, Mayor.

The General Accounting Office was tasked with auditing a sample of the city's performance goals to evaluate the city's progress, and Chris Mihm of GAO is here today to report the results and to submit any recommendations GAO may have to improve how the city measures its performance and, more importantly, how the city uses performance information to improve services for the District residents.

Since our previous visit with the Mayor, there has been a number of improvements made in the Nation's capital. The D.C. Financial Control Board recently announced that the city is able to meet short-term and long-term borrowing needs. In June, the District voted to change the structure of the D.C. Board of Education in

order to make the city's education system more accountable to the Mayor.

The Metropolitan Police Department has shifted its manpower in order to get more officers on the street. The D.C. Tuition Assistance program received thousands of applications from students now eligible to take advantage of the educational opportunities throughout the country. And that program, Mayor, has had a dramatic impact on the number of youngsters wanting to go on to college in the District and it really makes me feel very good and I am sure that it makes you feel very good, also.

The U.S. Attorney's Office is diligently working to promote cooperation between the various law-enforcement agencies in the District and we are making some real progress on that. I am anxious to get a report back on how that is finally going to be worked out. Most recently, the Mayor has hired John Koskinen, who we welcome today, to concentrate on the day-to-day operations of the city. And I think the Mayor understands that you are only as good as your team and the better your team, the better job that you do. We welcome the addition of Mr. Koskinen to your management team.

Despite these signs of progress, the troublesome headlines persist. Among them: Court Takeover of D.C. School Busing Possible; District Audit Finds Illegal, Wasteful Contracting; 12 D.C. Schools Lack Certified Food Workers; DPW Takes Years to Start Road Projects; City Fails to Get Paychecks to 150 Teens; A Year After Promises, Parks in Disarray; Prisoners Languish as Backlogs Get Worse; and GAO Study Faults D.C. Child Care.

You have those kinds of headlines—there are still some things that need to be done. I think it is clear to all of us that we have an interest in the revitalization of the District of Columbia that Mayor Williams has made. And I think it is very important for everyone to realize that Mayor Williams has made significant improvement in the health of the city and its image. But there remains a long road ahead and I would like to again say that this Subcommittee is committed to helping the Mayor make Washington the “shining city on the hill” that all Americans want it to be.

Just last week in our Governmental Affairs Committee, Mayor, we reported out a number of bills that will assist you in improving the health of our Nation's capital. The Southeast Federal Center Public-Private Development Act will allow the city to begin the long-awaited effort to revitalize the Anacostia waterfront, located less than a mile from the U.S. Capitol. The D.C. Receivership Accountability Act will establish lines of communication between the Mayor and the receivers and subject the receivers to an independent annual audit.

The D.C. Performance Accountability Plan Amendments Act that Senator Durbin and I introduced at the request of the Mayor will improve upon the District's process for measuring and reporting on its performance. Mayor, we think those things are going to get done by unanimous consent. So, they will go into operation. The full Committee also approved the nominations of two D.C. Superior Court associate judges to fill vacancies on a bench that is in desperate need of assistance. The District's fiscal year 2001 appropria-

tion has been approved by both the Senate and House and is currently in conference committee.

In addition to providing any assistance the Mayor may need to improve the services of the District, the role of the Subcommittee is to oversee the Mayor's progress in implementing the various programs developed to improve the city's performance. In that regard, I am interested to hear today how the Mayor plans to integrate the numerous performance documents he introduced at the hearing last May so that, first of all, the citizens are satisfied; second, the agency managers know exactly what is expected of them; third, reform is accomplished; and finally, congressional standards are met.

At the May hearing, Mayor, you made it clear that your citywide strategic plan would be the focal point of the District's performance management system, the source of all other performance documents. However, after reviewing the city's current system, GAO found the citywide strategic plan is better suited as a broad, long-range plan for directing the city, especially given the fact that the citywide strategic plan is evaluated only on a biannual basis. GAO found that the annual performance accountability plan is a superior guide regarding day-to-day, month-to-month, and year-to-year performance since it is subject to continual oversight and is updated on an annual basis.

The General Accounting Office will make more observations and recommendations and raise a number of concerns this morning and I would like to take this opportunity to ask the Mayor to respond to the GAO testimony point-by-point as a follow-up to this hearing. You do not necessarily have to do it today, but I would like to have you look at those recommendations that they make and get back to us on how legitimate and fair you think they are and how you intend to respond to them. I think they made some insightful observations and I want to make sure that your office has acknowledged their findings and recommendations and will consider integrating them into your own performance management system.

I close my opening statement by noting that I think the Mayor has done a great job of getting this beautiful city back on its feet and I commend him on his progress so far. However, it is time for Congress to start seeing more positive results and it is time that we begin to see a local government that is capable of managing itself without the constant meddling of this Congress. The District's past message of "change has been slow so far, but big things are expected in the near future" must yield some clear, verifiable results.

On that note, I look forward to your testimony to hear what the District has accomplished since our last meeting.

I now would like to call on Christopher Mihm from the General Accounting Office for his opening statement.

**STATEMENT OF J. CHRISTOPHER MIHM,¹ DIRECTOR,
STRATEGIC ISSUES, U.S. GENERAL ACCOUNTING OFFICE**

Mr. MIHM. Thank you, Mr. Chairman. It is, of course, a great pleasure and an honor to be here today to discuss performance management in the District of Columbia. We share certainly the

¹ The prepared statement of Mr. Mihm appears in the Appendix on page 15.

sentiments that you stated in your opening statement; that after nearly 2 years in office, Mayor Williams' administration has made considerable progress in making the management of the District Government more results-oriented. The Mayor has clearly demonstrated his personal commitment to transforming the culture of the District Government.

However, cultural transformations do not come quickly or easily. Thus, as is to be entirely expected, improvements in the management and performance of the District Government are still very much a work in progress. In the interest of brevity, I will hit the highlights of my written statement by covering three general points this morning. First, in comparing the management practices used by the District to those of high performing organizations, it is clear that the Mayor's performance management system contains many, but not all, of the elements used by those organizations.

On a positive note, the city has a strategic planning effort that has generated largely results-oriented goals and measures that show what the District wants to achieve. However, the District needs to create processes for ensuring that the performance information it generates is credible for decisionmaking and accountability. Without these processes, neither the Mayor nor other key decisionmakers can know for certain whether existing goals were met and, if not, how performance can be improved.

Second, the District has opportunities to better align its efforts to ensure that it is sending District employees, managers, citizens, Congress, and others, consistent messages about the results the District wants to achieve, how it will be done and how progress will be measured. High-performing organizations know how the services they produce contribute to achieving results. In fact, this explicit alignment between day-to-day activities and broader results to be achieved is one of the defining features of a high-performing organization.

This alignment is important to ensuring that the services that government provides contribute to results that citizens need and care about. It is also important to show front-line employees the vital role they have in achieving the broader organizational results that the District is trying to achieve.

In that regard, we found that a more complete integration of the goals in the Mayor's strategic plan, scorecards and performance contracts with the annual performance plans and reports provided to Congress is important to ensuring both the Congress and the District have a common understanding of the results that the District wants to achieve, how it plans to achieve those results and the status of its efforts. In the absence of this common understanding, Congress is hard-pressed to conduct oversight and determine how it can best help the District.

Third, the District could improve the usefulness of the information it provides to Congress by better ensuring that its most significant performance goals are included in both the annual plans and reports that the Mayor is to send to Congress each year. As you know, the Mayor is only required to report on the goals that were in the performance plan that was originally sent to Congress. However, after the 2000 plan was sent to Congress, the Mayor up-

dated it to include new and modified goals. This is typical of the way performance measurement efforts work.

As a result, though, the next performance report is not required to show progress toward the new or updated goals. We therefore suggest that the District consider the approach that many Federal agencies used in reporting on their performance. Like the District, Federal agencies found that they needed to change their performance goals as they gained experience and understanding and new problems arose during the early years of their performance measurement efforts.

In reviewing the performance reports that Federal agencies issued under GPRA this last March, we saw examples where agencies noted that a goal had been changed from one in the original plan and reported progress in meeting the new goal. The advantage to this approach is that it helped to ensure that the performance reports, by reporting on the agency's actual as opposed to discarded goals, were actually providing useful and relevant information for congressional and other decisionmakers. So, again that is something we think the District ought to consider in modeling the Federal approach.

In summary, Mr. Chairman, the District continues to make progress in implementing a more results-oriented approach to management accountability throughout the District. Making the necessary changes and instilling the new culture requires sustained commitment and effort, as the Mayor and other District leaders clearly understand. Thus, despite the important progress that has been and is being made, ample opportunities exist for the District as it moves forward. Perhaps foremost among these are: First, continuing to model the management practices of high-performing organizations; second, ensuring that its daily activities are aligned with its goal-setting and performance measurement efforts; third, generating performance data that are credible for decisionmaking; and fourth, using its performance plans and reports to provide Congress with the information and perspective Congress needs for effective oversight and decisionmaking.

We look forward to continuing what is already a very constructive working relationship that we have with the District and we look forward to supporting the District, this Subcommittee and others in Congress as we jointly seek to ensure that the residents of the District have the world-class products and services they so richly deserve.

I would be happy to answer any questions you may have, sir.

Senator VOINOVICH. Thank you, Mr. Mihm. As I mentioned to you earlier, I really appreciate GAO helping us in this regard and the quick response that you gave to our request to look over and give us some information on how you think the District is doing on those goals.

Mr. MIHM. Thank you, sir.

Senator VOINOVICH. Mayor Williams.

STATEMENT OF HON. ANTHONY A. WILLIAMS,¹ MAYOR, DISTRICT OF COLUMBIA, ACCOMPANIED BY JOHN KOSKINEN, DEPUTY MAYOR AND CITY ADMINISTRATOR

Mayor WILLIAMS. Mr. Chairman, thank you for the opportunity to testify before you today on performance management in the District of Columbia. I am glad to have this opportunity to detail the progress we are making in the District—progress in improving service delivery, accountability and, very importantly, the confidence of our citizens.

When we met in May, I described the components of the performance management system that the District implemented during the first year and 4 months of my administration, and these components included: (1) a citywide strategic plan crafted by our citizens to reflect their priorities; (2) scorecards that present clear goals and deadlines to the public; and (3) agency-specific strategic plans that outline fundamental changes in the way each of our agencies would conduct business. And individual performance contracts that translate our larger citywide plans into tangible personal commitments, measures by which I can judge the success of each of my cabinet members.

By utilizing this system of performance management, I believe we can make three important changes in the way our government operates, changes that will make our government more efficient, effective and responsive. Our goals are to instill: (1) the values of performance and accountability in the minds and day-to-day habits of our employees; (2) improve the quality and credibility of our reports and performance data to clearly communicate our progress to District Government managers or Council, this Congress and, most importantly, the public; and (3) incorporate these components into our budget so we allocate resources wisely based on our known prior results and clear future goals.

Now, shortly before we met last spring, the U.S. General Accounting Office issued its report that assessed our initial performance accountability report. The GAO report raised several concerns about our system of performance management and data tracking. Specifically, those concerns were that the District did not: (1) identify managers most directly responsible for achieving performance or their immediate supervisors; (2) specify two levels of performance for each goal; and finally, (3) describe the status of District Government activity subject to a court order or the requirements placed on the District by the courts.

Now, during the course of my testimony, I would like to address each of these concerns and describe what we are doing to improve for the future. The GAO's primary concern was the extent to which we complied with congressional reporting requirements and we addressed their concern, I believe, through four measures: One, identify managers and supervisors responsible for achieving each goal in fiscal year 2001; two, collaborating with your staff to draft legislation to reconcile all congressional and District deadlines; third, eliminating the provisions for two levels of performance for each goal; and finally, agreeing upon a set of major equity cases that the District will include in future performance accountability reports

¹ The prepared statement of Mayor Williams appears in the Appendix on page 36.

until or unless those cases are resolved. And as you know, I think, we are in the process of working with plaintiff groups, stakeholders and the judges, through our Special Counsel to the Mayor for Receivers, to move out of these receiverships. So, we are in the process of doing that.

Now that this system of checks and balances is in place, our future performance plans and reports will comply with congressional guidelines and will be submitted by the deadlines. Now, during the summer we had many conversations with officials from the GAO, conversations that proved informative and instructive for both parties. Together we have addressed the substance of the District's performance management system. We have discussed the components we have in place, the need for continuous review, the alignment of our citywide strategic plan with our individual agency plans, and the critical need to improve the quality and credibility of our performance data.

I am pleased to report that we have made important progress in each of these areas and, as you suggested, we will be providing you further written documentation of what is happening. But I would like to briefly say first, in terms of components in place, we have created written agency strategic plans and performance contracts for agency directors on my cabinet. Second, our agency directors have adopted the citywide strategic plan as their unifying vision and we are working together on cost-cutting initiatives. And third, our agency directors will review their strategic plans this fall to identify priorities that have changed over the last year to extend those plans into fiscal year 2002.

Our challenge now is to explicitly align these agency plans with the citywide strategic plans so each city employee understands his or her role in achieving his or her agency's objectives in supporting the plan. We have to ensure that all District employees, regardless of position, understand that they are the people who can improve our government. We also must demonstrate to our citizens how day-to-day operations of our agencies support the overall plan.

The GAO's findings during the sampling of our fiscal year 2000 measures indicate that variations still remain in our data and I concur. I am concerned that few agencies provided summaries of their own internal data collection and management practices regarding the 31 measures the GAO sampled. I also know that while many of our agencies have their own internal standards, they are not sufficient to pass independent review.

Now, we are already working to correct this problem. When we unveiled our scorecards last spring, I asked publicly for the Inspector General to begin to audit selected scorecard and performance contract measures for fiscal year 2000. I wanted to determine the most common problems, proposed means to address them, and ensure that agencies have sufficient internal quality controls for success in fiscal year 2001. To ensure we are making progress, the Inspector General will audit selected performance data prior to the submission of the District's fiscal year 2000 performance accountability report to Congress in March 2001.

Plans, goals, and measures alone cannot succeed. For our city government to become more self-reliant and self-sufficient, we have to really change behaviors and beliefs at all levels of our govern-

ment. I have a commitment to create accountability among my cabinet and our most senior deputies. We need to grow that commitment now among middle managers, program managers, and front-line service employees throughout the District Government. That is a goal of our newly-launched Management Supervisory Service, to provide performance incentives to senior and middle managers. Through the D.C. Office of Personnel Performance Management Program, we are establishing individual performance plans with goals and objectives for our agency middle managers and Excepted Service personnel throughout our government.

Among our most critical alignments of all these alignments is the alignment of performance goals and agency budget submissions. For our performance management system to work, there must be a clear link between performance goals and budget allocations, between expenditures and end results.

Each consecutive District budget has improved the relationship between resources and results, but we have substantial work remaining in this area, as well. Our new deputy mayor and city administrator, John Koskinen, and our new chief financial officer, Dr. Natwar Gandhi, are working closely to ensure that the program and financial staffs are integrating performance goals into our agency budget submissions. First, our fiscal year 2002 budget instructions will clearly define how agencies should relate their goals and measures to resources. Second, Mr. Koskinen's experience in general and in particular as deputy director for management at OMB will enhance, I think, our ability to achieve this goal. While we are making progress, I anticipate that it will take another two full budget cycles before we have established a lasting and durable relationship between financial and performance measures.

Finally, in the area of streamlining agency goals, the GAO's review of our 1999 year-end report noted 542 goals in the District of Columbia Financial Responsibility and Management Assistance Authority's fiscal year 1999 performance accountability plan. GAO and the District both felt that was an excessive number of goals to effectively manage and track. Yet, GAO notes that our fiscal year 2000 plan has 417 and our fiscal year 2001 plan may have more.

I think it is important to note that agencies need to identify and focus on core strategic goals. Each agency will maintain an internal set of operating measures that support strategic goals and many of these will be reflected in the directors' performance contracts. However, for the fiscal year 2002 performance accountability plans, our agencies will be more selective in establishing critical goals and measures.

Now, if I can briefly turn to some of our accomplishments on the District's scorecard goals, I would like to highlight a few. We set a goal to resurface 150 blocks of streets and alleys by August. Not only did we meet that goal, due to some contracts we recently put in place with the help of this Congress, we expect to add to this accomplishment by resurfacing an additional 400 blocks of streets by the end of this year.

We are meeting our commitment to e-government by launching five new information and service delivery features on the District's web site, which we have also streamlined with a new, easier to remember address, WashingtonDC.gov.

I think you will appreciate this goal, Mr. Chairman, a proud citizen of Ohio—we set a goal to replace the lions on the Taft Bridge. The lions, which were removed in 1993, held great historical significance for the citizens of our city and we committed to returning the lions by this July and they were indeed returned this summer. Their return, I think, is symbolic of a government that is making commitments and keeping commitments to our citizens.

We set a goal of putting 200 more officers on the streets by September. We achieved this goal through a number of different redeployment and recruitment strategies. Mr. Chairman, you already mentioned our redeployment of officers. Nearly 1,000 officers assigned to administrative and investigative duties are newly assigned to patrol streets in uniform one week a month. From the residents' perspective, this means more than 150 officers in the neighborhoods across the city every day. In addition, we have graduated 84 lateral hires from other jurisdictions and 107 new hires, all of whom have been assigned to street duty. We also instituted a "power shift" to put officers on the street during evening and nighttime hours and our Mobile Force responds to areas experiencing increases in crime.

In addition to the timely completion of these goals, we are also pleased to report that the Department of Motor Vehicles has reached one of its performance targets ahead of schedule. We made a goal at the beginning of the year that we would reduce the time that customers wait in line to 30 minutes or less for 80 percent of the driver's license and registration transactions by October.

To show you how these performance goals work, a couple of months into the year there were a lot of stories and there was a lot of controversy about how the lines were long. We knew the lines were long, which is why we made the goal to reduce the lines. Well, the fact of the matter is we actually exceeded that performance level in May, as 82 percent of wait times were less than 30 minutes. But we fell below the 80 percent target, and I think part of this performance management system working well is fessing up when you have not met a target. We fell below that target in the months of June and July as we introduced new digital photography technology which, in the long run, will pay dividends for our city, as it has for many States, by providing more and more online service.

Now that our DMV personnel are comfortable with the new equipment, they met the 80-percent target again in August and I anticipate that our DMV will sustain and improve their scorecard performance through October and beyond.

Well, finally, in future revisions to the citywide plan, in my staff's discussion with GAO, the evaluators noted that we had not directly engaged all the relevant stakeholders in reviewing and refining the Citywide Strategic Plan. In developing our first citywide plan, we focused our outreach efforts on residents of the District. We brought together more than 3,000 citizens in November 1999 to share my cabinet's draft plan with them. Based on their input, we significantly redrafted the plan, allowing citizens of our city to reorient our plans and priorities.

During 2000, however, we will expand our outreach. First, we will engage more than 4,000 residents in neighborhood planning fo-

runs to identify priorities unique to their neighborhoods and communities. Second, as we prepare to update our citywide plan in the fall of 2001, we will engage a wider range of stakeholders in the review process for the strategic plan. In addition to our residents, we recognize the role of local businesses, our Council, and this Congress in helping the District identify and realize its goals.

Finally, I want to thank the Subcommittee and you, Mr. Chairman, in particular, for your support with the Southeast Federal Center, with the receivership bill, with performance accountability legislation and with the judicial appointments. They are all important components of our relationship and, more importantly, important components of our bringing the city where we all want it to be.

That concludes my testimony and I would be happy to answer any questions you may have.

Senator VOINOVICH. Thanks very much. I have just been informed that we have got about 10 minutes. And I would rather not leave here and then have you waiting for me. You are all very busy people. I think there is some good news and bad news. Mayor, I think we are impressed with the progress you have made. I think that one focal point of this hearing, as far as I am concerned, is that in your May 9 testimony, you state that among your goals for the year was sustaining progress, ensuring valid and reliable data, unifying different plans and bench-marking progress against other jurisdictions. That is a quote from your May 9 testimony.

Along those lines, the integration of the multiple performance documents was one of my primary concerns at that hearing. Simply put, there were too many performance documents that we were having to contend with. GAO went out again and did another study and you heard the testimony. And the District still has multiple performance documents that show alarmingly little overlap or continuity. There is no system in place to measure or verify performance measurement data and the District does not yet possess a comprehensive strategic plan that meets GAO's standards. They made some recommendations. The Mayor should produce one comprehensive, fully-integrated performance plan. The city was unable to verify the data used to report on the fiscal year performance measures and the District's performance plan must provide a sufficient amount of data for Congress to conduct adequate oversight.

I guess what I would like to suggest today is that the District sit down with GAO and try to sift through some of this information, to see if between now and the end of this year, Mayor, some of these concerns that I have and the Subcommittee has can be taken care of, so that when you come back again in May or thereabouts, that will be something that we will not be talking about. Frankly, I do not think I need another hearing, but I would like to meet with you and the GAO and your management team, to get a report back from you before the end of the year, to talk about the stuff that has been brought up and how we are going to try to get these things smoothed over so that everything is understandable.

And I think that is really important for your well-being and also for our well-being, because if we have another hearing next year and we still have four or five different plans and the same report

back from GAO, it is not going to be good for you and, quite frankly, I think this Subcommittee will be little bit frustrated. I understand that you have not been on the job that long and I know that it takes 3 to 4 years for you to make some positive results. On the other hand, I think that if you have a clearly defined set of performance goals, where it can be—just maybe be one set of them, where you understand them, we understand them, your directors understand them, your middle managers understand them, and the folks on the street understand them, that it will be good for the District and good for Congress.

So, I would respectfully request that you do that. The other thing that I would like to suggest to you today—I have been through this and first of all I know how you must feel. You come in here and you have all kinds of problems and people to report to and you have to come back to Congress and go through this. I recall when I was mayor of Cleveland we had the Financial Supervisory Commission. I used to dread to a certain degree those 6-month meetings with my Financial Supervisory Commission because they had me on the firing line. That was the bad news.

The good news is that it was kind of a wake-up call for me and it was also something I was able to use with my directors and the middle managers and say, “Hey, we have got to perform.” And it was also good for our city council because it reminded them of things they had to do in order for us to get our job done. So, I hope that you look at this as a positive experience. Last, but not least, getting people involved in your management team. Have you started any initiatives in the area of quality management?

Mr. KOSKINEN. Well, I think probably the most significant one is the development of the Management Supervisory Service. We have slightly more than 900 middle managers in the government who ultimately are directly involved with front-line employees removing themselves from various employment protections. They really are now fully accountable and understand that. We are now providing a wide range of training and support for them so that they, in fact, will become better managers.

We also are moving aggressively to try to create labor-management partnerships in the agencies. We want to engage managers and front-line employees in jointly trying to figure out exactly how to improve the quality of the work place and also the quality of the work. I think you cannot successfully restructure and re-engineer an operation from the top down. You have to find out what is going on in the front lines and engage middle managers in the discussion so you have a unified approach to improving operations. I think that those initiatives, combined together, should give us a higher quality of managers. Many think what we should do is get rid of everybody and hire new people. There just are not enough new people out there and they need training and support as well.

So, I think we have a good cadre and core of those managers, but we have got to provide them training. We have to look at the quality of their management, help them look at the quality of their employees and help them improve across the board.

Senator VOINOVICH. Well, I would like to share with you some information. I have been trying this last couple of years to work with the GAO and some of the Federal agencies in terms of training,

empowerment and incentives, but, particularly the issue of quality management and empowering the employees to participate. We had a very successful—and still have in Ohio, what we call “Quality Services Through Partnership.” And the material is really great. I mean, Xerox came in and did it for us pro bono, and then we built on that. And we have changed the documentation so that it is very relevant to governmental employees.

The fact that we have developed in the State 3,000 teams of individuals and departments that are constantly looking at ways they can work together as a team to improve their performance. So, often the real success of an organization, governmental organization, is how ignited are the people that are working in these various agencies? My observation has been that too often in government they just come to work every day and nobody pays attention to what they have to say and they kind of get down on themselves. And when they realize that they are important and they are being listened to and they are being challenged to come up with ways, for example, to do some of the things that you would like them to do, rather than have somebody come in and say to them, “This is what you have to do,” and they look at them and say, “Well, we have been here 15 years and we think it might be worthwhile to maybe get our opinion on these things”—but I think that is an ingredient that you ought to look at in terms of getting this other stuff done, because those people on the front-line are the ones that are going to make the difference for you in terms of achieving those goals that you would like to achieve.

I will be glad to send that stuff over and would be interested in what you think about it.

Mr. KOSKINEN. I would be delighted to have it. My experience in the private sector, as well as the public sector, is that the key, critical ingredient in turning organizations around is dealing effectively with front-line employees. As you note, this means involving them in the discussions and listening to what they have to say. The people who know best about why an organization doesn't function, like the managers, are the people actually doing the work. So, you are exactly right. We would love to have those materials.

Senator VOINOVICH. Great. What I would like to do is suggest today that before the end of the year I would like to get together with you, not at a hearing, but just get together and see what progress we have made on some of the things. I would like to get your response back in writing to some of the suggestions that GAO has made and then come back publicly again, maybe in May, and not have this as a subject of the discussion. How would that be?

Mayor WILLIAMS. That would be good. I appreciate that.

Senator VOINOVICH. Well, I thank you very much for coming here this morning and I look forward to continuing to work with you, Mayor. As I have said to you, if there is anything you need, pick up the phone and call me. And I know you are moving forward on that public-private partnership and I am interested in pitching in and helping you with that. If they can determine some identifiable goals they are committed to, I promise you, Mayor, I will go out and try and encourage people from all over the United States to come in and be supportive of what you are doing, because my goal is your goal.

I would like to leave this Congress, whenever I leave, and be able to say that we are truly the city on the hill and something that we can all be proud of. I think that it is not only the responsibility of the people in the District, but frankly, Mayor, I think it is the responsibility of the citizens around this country to make sure that happens and come to your help. So, I am here. Thank you very much.

[Whereupon, at 10:12 a.m., the Committee was adjourned.]

APPENDIX

GAO

United States General Accounting Office

Testimony

Before the Subcommittee on Oversight of Government
Management, Restructuring and the District of Columbia
Committee on Governmental Affairs
U.S. Senate

For Release on Delivery
Expected at
9:30 a.m. EDT
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DISTRICT OF COLUMBIA GOVERNMENT

Progress and Challenges in Performance Management

Statement of J. Christopher Mihm
Director, Strategic Issues



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GAO-01-96T

Statement

District of Columbia Government: Progress and Challenges in Performance Management

Mr. Chairman, Mr. Durbin, and Members of the Subcommittee:

It is a pleasure to be here today to discuss performance management in the District of Columbia. This hearing comes at a particularly opportune time. Two of our recent reviews on different aspects of the city's performance management system show that the Williams Administration, although having made important progress, is still facing many challenges in improving the management and performance of the District government.¹ We look forward to continuing to work with the Members of this Subcommittee, Mayor Williams, and other District officials to address the performance challenges facing our nation's capital.

As agreed with the Subcommittee, my testimony will cover three areas. First, I will compare the key elements of the District's performance management system with common elements we found from systems used by leading organizations around the country and the world. As part of that comparison, I will report on whether the District met the 29 performance goals that it scheduled for completion by the end of fiscal year 2000 that the Subcommittee selected from the over 400 performance measures contained in the Mayor's fiscal year 2001 budget request.² I will also report on whether the District provided evidence that the performance data are sufficiently reliable for measuring progress toward goals.

Second, I will discuss opportunities for the District to better align its various performance plans to ensure that it is sending District employees, managers, citizens, Congress, and other stakeholders consistent messages about the results the District wants to achieve, how the alignment will be done, and how progress will be measured.

Finally, I will highlight how to improve the usefulness of the annual performance plan and report that federal law requires the Mayor to send to Congress no later than March 1 of every year.³ The federal law requiring the District to prepare annual plans and reports is similar to the approach in the Government Performance and Results Act (GPRA).

Mr. Chairman, before I summarize our specific findings in each area, I would first like to make a general observation. After nearly 2 years in

¹ District of Columbia Government: Performance Report's Adherence to Statutory Requirements (GAO/GGD-00-107, April 2000); District of Columbia Government: Management Reform Projects Not Effectively Monitored (GAO/T-AIMD-00-237, June 30, 2000).

² The Mayor transmits his annual performance plan as part of his budget request to Congress.

³ Public Law No. 103-373.

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office, Mayor Williams' Administration has made considerable progress in making the management of the District government more results-oriented. Given the serious performance problems facing the District when the Mayor took office in January 1999, success will continue to demand a citywide effort in several areas simultaneously and a long-term commitment by top city officials. We believe Mayor Williams has clearly demonstrated his personal commitment to transforming the culture of the District government. The histories of high-performing organizations clearly show that cultural transformations do not come quickly or easily. Thus, as is to be expected, improvements in the management and performance of the District government are still works in progress.

In summary, in the first area examined, we found that the Mayor's performance management system contains many—but not all—of the elements used successfully by leading organizations. The city has a strategic planning effort that has generated largely results-oriented goals and measures that form a clear basis for the results that the District wants to achieve. One element that did not always appear present is processes for ensuring that performance information is sufficiently credible for decisionmaking and accountability. Without these processes, neither the Mayor nor other key decisionmakers can know for certain whether existing goals were met and, if not, what opportunities exist to improve performance. For example, the District's performance data—as of 1 month before scheduled completion—show that it met 12 of the 29 selected goals that were to be completed in fiscal year 2000. Several of the unmet goals appeared close to being met or were likely to be met by December 2000. However, for 7 of the 12 goals that were met, the District did not provide evidence that the performance data were sufficiently credible for measuring progress toward goals and making decisions.

We also found that opportunities exist for the District to more fully integrate the various planning documents it uses. As one example, the more complete integration of the goals in the Mayor's strategic plan, scorecards, and performance contracts with the annual performance plans and reports provided to Congress is important to ensuring that Congress and the District government have a common understanding of the results the District wants to achieve, how it plans to achieve those results, and the status of its efforts. In the absence of a common understanding, Congress is hard-pressed to determine how it can best help the District achieve results, and oversee the District's efforts.

As a direct result, we also found that the District could improve the usefulness of its mandated annual performance plans and reports by better

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ensuring that the District Government's most significant performance goals are included in both the annual performance plan and the annual performance report that federal law requires the Mayor send to Congress every year.

Now I would like to discuss each of these findings in more detail, starting with the key elements of the District's performance management system.

Challenges the District Faces in Becoming More Results-Oriented

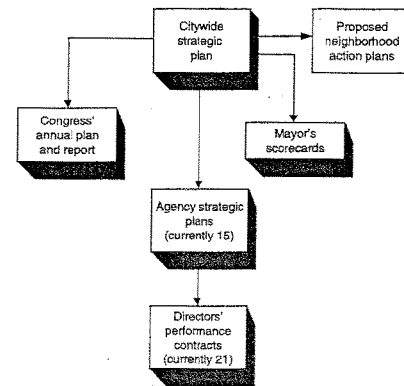
At the request of Congress, we have previously studied a number of leading public sector organizations that were successful in pursuing management reform initiatives and becoming more results-oriented.⁴ These included selected state governments as well as foreign governments, such as Australia and the United Kingdom. We found that despite obvious and important differences in histories, culture, and political systems, each of the organizations commonly took three key steps as they sought to become more results-oriented and make fundamental improvements in performance. These were to (1) define clear missions and desired outcomes, (2) measure performance to gauge progress, and (3) use performance information to manage programs and support policy decisionmaking.


Figure 1 below illustrates the various planning documents that the District has for managing the city, including an annual plan and report to Congress, various scorecards on selected goals that are on the District's Internet site, and proposed neighborhood action plans.

⁴Managing for Results: Experiences Abroad Suggest Insights for Federal Management Reform (GAO/GGD-96-120, May 1996).

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Figure 1: District Performance Management System



 Proposed action plans under development

Source: GAO analysis of District of Columbia data.

An official in the Mayor's office said the District's performance management system consists of three key elements:

1. The District has a citywide strategic plan that consists of a vision statement and five subordinate strategic plans that focus on a specific priority. These five priorities are (1) building and sustaining healthy neighborhoods; (2) strengthening children, youth, families, and individuals; (3) making government work; (4) promoting economic development; and (5) enhancing unity of purpose and democracy. This plan includes specific results-oriented goals and measures associated with each priority. Mayor Williams testified at the Subcommittee's hearing in May of this year that the citywide strategic plan, prepared every 2 years, is the single, unified plan for holding agency heads accountable. This citywide strategic plan was based, in part, on the input of District residents, who had the opportunity to express their concerns and priorities for the District at a Citizen Summit held in

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November 1999 and a Neighborhood Action Forum in January 2000. The Mayor plans to hold additional Neighborhood Action Forums and use the results to develop Neighborhood Action Plans.

2. Agency strategic plans have been established for 15 of the 45 District agencies under the Mayor's jurisdiction. Although these agency strategic plans are presented in different formats, common elements include mission statements and key agency goals and measures.
3. The Mayor has signed performance contracts with the Directors of 21 city agencies. Under these contracts, the Directors are to be held accountable for achieving selected performance goals and are required to report their progress in meeting these goals on a monthly basis.

The District Has Made Progress in Defining Clear Missions and Desired Outcomes

The first step used by leading organizations—defining clear missions and desired outcomes—corresponds to the requirement in GPRA for federal agencies to develop strategic plans containing mission statements and outcome-related strategic goals.

The District has clearly made progress in this regard. The citywide strategic plan contains largely outcome-related goals and measures that relate to the District's five strategic priorities. For example, under the building and sustaining healthy neighborhoods priority, the strategic plan contains nine performance goals, including the goal to enhance the appearance and security of neighborhoods citywide. This goal contains 10 action items with intended results identified, including an initiative to abate 1,500 nuisance properties. In addition, responsibility for each goal is assigned to a lead agency or agencies.

Also, the District has taken some steps to align its activities, core processes, and resources. For example, the Mayor has placed a clear emphasis on performance management in his administration. As I noted, one example is the signing of performance contracts with the Directors of 21 city agencies. The performance contracts are important for underscoring the personal accountability the District Government's top leadership has for sound management and contributing to results. The Mayor also created four Deputy Mayor positions to assign responsibility for managing four critical functional areas within the government: Government Operations; Public Safety and Justice; Children, Youth and Families; and Economic Development.

Opportunities to Strengthen the District's Strategic Planning

Although the Williams Administration has made considerable progress in setting a strategic direction for the city government, opportunities exist to

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ensure that the strategic plan is as useful and informative as it could be. In developing its citywide strategic plan, the District held two meetings with citizens, which gave District residents the opportunity to propose priorities and to articulate a vision for the city. However, it was not clear from reading the strategic plan that the District involved other key stakeholders, specifically Congress, in the development of the plan. As you know, Mr. Chairman, GPRA requires federal executive branch agencies to consult with Congress when preparing their strategic plans. Consulting with Congress on its strategic plan could also benefit the District because of the appropriations and oversight role Congress plays and would be consistent with one of the District's action items to maintain communications with Congress.

In addition, the District's strategic plan contains a vision statement and five strategic priorities. However, linking the vision statement to the strategic priorities with a comprehensive mission statement could help further clarify the direction the District wants to take. In our examination of high-performing organizations here in the United States and around the world, we have found that a clearly defined mission statement is one of the key elements of an effective performance management system. A mission statement is important because it brings an organization into focus and concisely tells why it exists, what it does, and how it does it.

Finally, as the District continues its efforts to establish a clearly defined strategic direction for the city, it can enhance the usefulness of the plan by more fully articulating the strategies the city plans to use to achieve results. In some cases, it was not clear what strategies the Mayor's office was going to use to achieve action items relating to the strategic plan's performance goals. For example, the goal to enhance the appearance and security of neighborhoods citywide contained an action item of ensuring that 75 percent of youth attend school on a regular basis. However, the strategic plan did not give any indication how this measure would be achieved. Similarly, the goal that all residents have opportunities for lifelong learning contained an action item of increasing access to the Internet, but there was no discussion of how this would be achieved.

The District Has
Established Performance
Measures for the Majority of
Its Goals

The second key step that we found leading organizations commonly took—measuring performance to gauge progress toward goals—corresponds to the GPRA requirement for federal agencies to develop annual performance plans and goals and performance measures to gauge progress.

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	<p>The District has made substantial progress in establishing performance measures for most of its goals. As it develops measures for the remaining goals and gains experience in using the data from the measures it has established, the experiences of high-performing organizations suggests that the District will identify ample opportunities to improve and refine its goals and measures. Specifically, we found that the fiscal year 2000 performance plan contained 447 measures, of which 36 (or 8 percent) had no indicators or performance targets that could be used to determine if the goals were achieved. When the Mayor updated this original plan several months later, there were 30 (or 7 percent) out of 417 measures without indicators to measure performance.</p>
<p>Early Data Suggests FY 2000 Performance Will be Uneven</p>	<p>You asked us to examine 31 goals drawn from the 417 in the Mayor's updated performance plan for fiscal year 2000. These goals were not meant to be a representative sample of all the District's goals. Of these 31, 29 were to be completed not later than September 30, 2000. As shown in the attachment to my statement, the District reported that as of August 31, 2000—1 month before scheduled completion—it had met 12 of these 29 goals, and it had not met 12 goals. An example of a goal that was met was from the Commission on the Arts and Humanities, which reported that it exceeded its goal of serving 35 percent of D.C. Public School students through the Arts in Education program, stating that 55 percent of students have been served by this program through August 2000. An example of a goal that was not met was from the Office of Banking and Financial Institutions (OBF), which reported that it did not meet its goal of obtaining baseline data by June 2000 on capital and credit available by Ward. OBF stated that it was not able to obtain this data from banks in the District due to proprietary issues these banks would face, and it was considering redefining the goal for future years.</p> <p>The District did not provide performance information for one goal, and for four goals it was unclear from the information provided whether the goal had been met. For example, the Department of Employment Services (DOES) had a goal of contacting 600 employers and entering them into the DOES database. However, the data provided by DOES to report progress on this goal showed information on the number of job orders and job openings in the system and the number of individuals placed. It was not clear from the information provided whether DOES accomplished its goal.</p>
<p>Credible Performance Information Remains a Challenge</p>	<p>The third key step that we found leading organizations commonly took—using performance information to manage programs—although much broader, includes the requirement in GPRA for federal agencies to prepare</p>

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annual performance reports with information on the extent to which the agency has met its annual performance goals.

If policymakers in the District and in Congress are to use the information in the District's annual performance report to make decisions, then that information must be credible. Credible performance information is essential for accurately assessing agencies' progress towards the achievement of their goals and pinpointing specific solutions to performance shortfalls. Agencies also need reliable information during their planning efforts to set realistic goals.

In some cases, producing credible performance data is relatively straightforward. For example, a District goal to open three new health centers would not normally need a systematic process to gather data that shows if the goal was met. Far more common, however, are goals and performance measures that would seem to depend upon the existence of a systematic process to efficiently and routinely gather the requisite performance data.

In that regard, we found that the District has not yet implemented a system to provide assurance that the performance information it generates is sufficiently credible for decisionmaking. The District's performance report for fiscal year 1999 stated that the performance data was "unaudited." An official in the Mayor's office said that this meant the performance data had not been independently verified. He also said that the Mayor's office has asked the Inspector General to begin audits of the data.

The 31 goals selected for our detailed review underscore the challenges confronting the District.⁵ In response to our request for evidence that a system existed to ensure that the performance data were sufficiently reliable for measuring progress toward goals, the District did not provide such evidence for 7 of the 12 goals that the District reported had been met and for 11 of the 14 goals⁶ that the District reported had not been met. As a result, key decisionmakers cannot be certain that the seven goals reported to have been met were in fact met. For example, the Department of Public Works (DPW) did not provide a description of any system or procedures in place for ensuring the credibility of performance data for measuring progress on its goal of permanently repairing 90 percent of utility cuts within 45 days of utility work completion.

⁵ The District did not provide us with data for 1 of the 31 performance measures.

⁶ The 14 unmet goals include 2 goals with December 2000 deadlines.

The District Can Better Align Its Key Planning Efforts

As part of becoming more results-oriented, leading organizations work to ensure that their annual performance goals and measures "link up" to the organization's mission and long-term strategic goals as well as "link down" to organizational components with specific duties and responsibilities. This "up and down" linkage reinforces the connections between the long-term strategic goals and the day-to-day activities of program managers and staff. These linkages are important to ensuring that the services government provides contribute to results that citizens need and care about. The linkages also are important to underscore to front-line employees the vital role they play in meeting organizational goals.

However, we found that additional efforts are needed to ensure that the critical linkages are in place. Specifically, the citywide strategic plan may not yet fully serve as the single unified plan to guide the District that the Mayor intends it to be. The strategic plan contains literally hundreds of action items that serve in essence as detailed performance commitments, often with specified completion dates. However, we found that these detailed action items were not always reflected in the Mayor's scorecard or performance contracts. Likewise, the commitments in the scorecard and the performance contracts were not always captured in the strategic plan. As a result, it can be unclear to city employees and managers as well as other decisionmakers what set of initiatives represents the District's highest priorities.

In addition, at the Subcommittee's request, we determined the extent to which the performance contracts that the Mayor signed with the directors of three agencies are aligned with both the Mayor's performance plan and the Mayor's scorecard. The three agencies we looked at were the Metropolitan Police Department (MPD), the Department of Parks and Recreation (DPR), and the Department of Motor Vehicles (DMV). The three directors' contracts that we examined had a common format, which included a discussion of the Mayor's rating system, the agency's mission statement, and a series of performance requirements upon which the agency director was to be assessed and rated. The performance requirements included five common requirements (e.g., alignment of agency mission with the Mayor's strategic plan) that each director is responsible for meeting, as well as additional agency-specific requirements.

However, the three agency performance contracts were not consistently or directly aligned with the District's FY 2000 performance plan or the Mayor's scorecard. For example, 13 of the 15 FY 2000 performance goals that were attached to the DPR contract were not included in the FY 2000

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performance plan. In addition, none of the four goals in the DPR scorecard were included in the DPR contract, and three of the four goals were not in the FY 2000 performance plan.

For MPD, 10 of the 23 performance goals that were attached to the contract were not included in the FY 2000 plan. Although two of the four goals in the MPD scorecard were included in the MPD contract, these two goals have different deadlines in the scorecard and contract. The scorecard has a December 2000 deadline for the two goals, but the contract has the end of fiscal year 2000 as the goals' completion date. DMV's performance contract contains nine FY 2000 goals, eight of which are in the FY 2000 plan. However, for seven of these contract goals, the targets have been revised and therefore differ from those in the FY 2000 plan. Three of DMV's four scorecard goals are in the contract and the FY 2000 plan. According to an official in the Mayor's office, the Mayor appointed new directors to DMV and DPR in the summer of 1999 and they established new goals.

The challenge confronting the District is by no means unique. As I noted, the histories of high-performing organizations show that their transformations do not come quickly or easily. However, we found that high-performing organizations know how the services they produce contribute to achieving results. In fact, this explicit alignment of daily activities with broader results is one of the defining features of high-performing organizations. At the federal level, we have found that such alignment is very much a work in progress. Many agencies continue to struggle with clearly understanding how what they do on a day-to-day basis contributes to results outside their organizations. The District is beginning to make some progress in this regard. In a comparison of the three District agency head contracts to the FY 2001 performance plan, there is a much more direct alignment, as the performance measures from each agency's section of the FY 2001 plans have been attached to that agency head's contract.

Opportunities to Improve the Usefulness of the District's Performance Report

As you know, Congress passed legislation in 1994 that is similar to the performance reporting requirement in GPRA in that it requires the District to prepare an annual performance report on each goal in the City's annual performance plan. This law was intended to provide a disciplined approach to improving the District government's performance by providing for public reporting on the District's progress in meeting its goals.

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On April 14 of this year, we reported to Congress that the District did not comply with this law for fiscal year 1999.¹ Among our findings were that the District did not report actual performance for 460 of the 542 goals in the plan and did not provide the titles of the managers most responsible for achieving each goal as required by law. The fiscal year 1999 report was the first the District prepared under the legislation that was based on a performance plan, so we can expect that subsequent reports will show marked improvement. Moreover, the circumstances that led to this noncompliance were unusual and are not likely to be repeated. The Mayor's performance report was required to be based on goals that the Financial Responsibility and Management Assistance Authority—not the Mayor—had established. In November 1999, Congress returned this reporting responsibility to the Mayor.²

In addition, the Mayor has asked Congress for legislation that will facilitate the District's ability to comply with this law in the future. Specifically, the Mayor has requested that the date when the performance plan is due to Congress be changed to correspond more directly with the District's budget schedule and that the requirement for reporting on two levels of performance—acceptable and superior—for each goal be eliminated.

According to the District, its performance report for fiscal year 2000 will include a discussion of several of the District's management reform projects. In June of this year, we testified on these projects before the House Appropriations Subcommittee on the District.³ The District budgeted over \$300 million to fund these projects from fiscal year 1998 through 2000. Included in the District's budgets for this 3-year period were projected savings of about \$200 million. However, we found that after 2-1/2 years, the District had reported savings of only about \$1.5 million.

We testified that neither the Financial Authority nor the District could provide adequate details on the goals achieved for all of the projects that had been reported as completed or in various stages of completion. Consequently, the District could not show if the initiatives had actually contributed to improved performance and better services to the District's citizens. Nevertheless, as a sign of his continuing commitment to improve the management of the District government, District documents show that the Mayor has adopted 20 of these initiatives into his new plan for fiscal

¹ GAO/GGD-00-107.

² Public Law No. 106-113.

³ GAO/T-AIMD-00-237.

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year 2000 and added 7 new management reform initiatives. For example, the Department of Public Works' initiative to improve its correspondence and telephone service was integrated into the Mayor's new goal of developing a Citywide Call Center.

Under the federal law, the Mayor is required to report on only the goals that were in his original performance plan sent to Congress. However, the Mayor has updated his fiscal year 2000 plan with many new or modified goals after the plan was sent to Congress to address problems that were not found during the original planning process. As a result, the next performance report is not required to contain performance data on those new or updated goals.

As expected, during the early years of a major performance measurement initiative, some of the changes and additions the District made to its performance goals and measures have been significant. Specifically, as of September 27, 2000, the Mayor's scorecard contained a total of 119 goals assigned to agency directors and other managers, including the Mayor. Of these 119 scorecard goals, 82 of them were not included as fiscal year 2000 performance measures in those agencies' corresponding sections of the FY 2000 performance plan. For example, the Department of Public Works' (DPW) scorecard goal to resurface 150 blocks of streets and alleys was not included among the DPW's performance measures in the FY 2000 plan.

In addition, for the remaining 37 goals that were also present in the plan, the measures or targets for 28 of them had been revised. For the 119 goals that were in the scorecard, the District has reported, as of September 27, 2000, that 25 have been achieved thus far. Many of the remaining 94 goals have a completion date of December 2000.

Many of the goals appearing only in the scorecard arose during the Mayor's meetings with District residents, which occurred after the Mayor completed his original performance plan. As a result, the District's next performance report to Congress to be issued early next year may not contain performance data on certain scorecard goals that represent important initiatives for the District. Although not required to do so, by reporting information on its significant goals—whenever they were established—the District could help Congress achieve a central aim of the 1994 legislation—having the District report on progress in meeting its goals for all significant activities.

The District may therefore wish to consider the approach that many federal agencies used in reporting on their performance. Like the District,

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federal agencies found that they needed to change their performance goals—in some cases substantially—as they learned and gained experience during the early years of their performance measurement efforts. As you know, Mr. Chairman, this last March executive agencies issued their fiscal year 1999 performance reports. However, much has been learned about goal-setting and performance measurement since agencies developed their fiscal year 1999 goals back in the fall of 1997. In reviewing those performance reports issued last March, we saw examples where agencies noted that a goal or performance measure had changed from what had been in the original plan and reported progress in meeting the new goal. The advantage of this approach is that it helped to ensure that performance reports, by reporting on the agencies' actual, as opposed to discarded, goals, provided useful and relevant information for congressional and other decisionmakers.

Summary

In summary, Mr. Chairman, the District continues to make progress in implementing a more results-oriented approach to management and accountability throughout the District government. Making the necessary changes and instilling the new culture requires sustained commitment and effort, as the Mayor and other District leaders certainly understand. Thus, despite the important progress that has been and is being made, ample opportunities exist for the District to strengthen its efforts as it moves forward. Foremost among these is (1) continuing to make progress in implementing a results-oriented approach to management and generating performance data that are sufficiently credible for decisionmaking, (2) ensuring that its strategic goal-setting and performance measurement efforts are fully aligned, and (3) using its performance plans and reports to provide Congress with the information and perspective it needs for effective oversight and decisionmaking.

We look forward to continuing to work with the District, this Subcommittee, and others in Congress as you jointly seek to ensure that the residents of the District have the world-class products and services they so richly deserve.

This concludes my prepared statement. I would be pleased to respond to any questions that you or other Members of the Subcommittee may have.

Contacts and Acknowledgments

For further information regarding this testimony, please contact J. Christopher Mihm at (202) 512-8676. Individuals making key contributions to this testimony included Jeremey Latimer, Theresa Roberson, and Al Stapleton.

Attachment

Information on Selected FY 2000 Performance Goals from the District's FY 2001 Proposed Budget

The following table provides information on 31 FY 2000 performance goals selected from the District of Columbia's FY 2001 Proposed Budget. The first column lists the performance goals and the District agency responsible for each goal. The 2nd and 3rd columns provide information on the agencies' reported progress in meeting these goals. The 4th and 5th columns provide information on whether or not the agencies described any system or procedures they have in place for ensuring the credibility of their performance data for these goals.

For the 29 selected goals that were to be completed by the end of FY 2000, the District reported that—as of August 31, 2000 for most goals—it had met 12 goals, and that it had not yet met 12 goals. The District did not provide information for one goal, and for four goals it was unclear from the information provided whether the goal had been met.

The District described a system that it had in place for ensuring the credibility of its performance data for 8 of the 31 goals. For 21 of these goals the District did not describe such a system that it had in place. In addition, for one goal, it was unclear from the District's response whether it had such a system, and we received no information on the District's progress or its system for assessing data for one goal.

Table 1: Information on Selected Performance Goals

FY 2000 performance goal (agency or office responsible)	Did the agency or office report that the target had been met?	Did the agency or office describe a system or procedures that it had in place for ensuring the credibility of its performance data?
	Yes/No	Comments
Office of Personnel (DCOP)		
10% of employees participating in No the new performance management system	DCOP reported that 5.9% of the 18,000 employees (1,248 employees) under the authority of the Mayor participated in kickoff training sessions on the new performance management system. DCOP stated that the 10% goal published in the FY 2001 proposed budget was based on an estimate of 1,800 individuals in managerial, supervisory, and excepted service positions. DCOP stated that the actual number of individuals in these positions is approximately 1,300.	No However, DCOP did report how it obtained its data. DCOP stated that attendance at training sessions was tracked via attendance sheets maintained by each instructor and then logged into the Center for Workforce Development's course registration database.

Attachment

FY 2000 performance goal (agency or office responsible)	Did the agency or office report that the target had been met?		Did the agency or office describe a system or procedures that it had in place for ensuring the credibility of its performance data?	
	Yes/No	Comments	Yes/No	Comments
100% of agencies have FY 2001 workforce plans	No	DCOP reported that there are no agencies with complete workforce plans for FY 2001, but it anticipates having plans in place for all agencies by mid-November 2000. DCOP stated that the downsizing and replacement of key retirees positions where necessary has been the primary staff planning focus in the agencies and in the DC Office of Personnel this summer.	No	However, DCOP stated that service requests contained in workforce plans for the 2 nd half of FY 2000 were tracked manually. For FY 2001, DCOP stated that it is implementing a new "transaction tracking" database that will track all staffing requests and enable it to set target dates for the completion of each request. DCOP stated that this database is expected to be operational in October 2000.
85% of all vacancy announcements on the DCOP Web site	Yes	DCOP reported that 100% of all announcements for civil service positions in agencies under the authority of the Mayor are posted on the DCOP Web site.	Yes	DCOP stated that with its current system, the only way it can create vacancy announcements is via a database that automatically posts them to its Web site, once approved by the appropriate supervisor. DCOP stated that it is no longer able to post paper announcements without posting them on the Web site.
Human Resources Development (HRD)				
64 senior managers completing "Certified Public Manager" (CPM) program at the Center for Excellence in Municipal Management	Yes	DCOP reported that 68 individuals graduated from the CPM program in FY 2000.	No	DCOP reported how it obtained this data. DCOP stated that graduates are trained and tracked by the Center for Excellence in Municipal Management at George Washington University.
Office of the Chief Financial Officer (OCFO)				
24,000 electronic tax returns	Yes	OCFO reported that 24,570 electronic returns have been filed through August 2000.	No	However, OCFO reported how it obtained this data. OCFO stated that data on electronically filed returns are tabulated daily and that ELF-systems and the output from the Individual Income System tracks the returns received.
Business Services and Economic Development (BSED)				
2 Neighborhood Forums conducted (engage 4,000 residents)	No	Office of Planning data showed that 3,510 District residents had participated in Neighborhood Action meetings between January and September 2000.	No	No information was provided in response to this question.

Attachment

FY 2000 performance goal (agency or office responsible)	Did the agency or office report that the target had been met?	Did the agency or office describe a system or procedures that it had in place for ensuring the credibility of its performance data?		
Yes/No	Comments	Yes/No Comments		
Department of Housing and Community Development (DHCD)				
6-month loan/grant processing time for new construction and multifamily rehabilitation	Yes	DHCD reported that this goal was achieved as of August 2000.	No	DHCD stated that program offices submit accomplishment data to the Office of the Chief Operating Officer, and these data are incorporated into a monthly report. DHCD did not describe a system for assessing the credibility of the data that it receives.
Department of Employment Services (DOES)				
600 employers contacted and entered in DOES database	Unclear	DOES responded with data reporting the number of job orders entered into the system, as well as the number of job openings and individuals placed, but not the number of employers contacted and entered into its database.	Unclear	DOES reported that the tool that measures this goal is the State Employment Security Agency (SESA) Automated Reporting System. However, DOES did not provide data on whether it met this goal.
1,500 youth placed in unsubsidized summer employment	Yes	DOES reported that 2,453 persons between the ages of 14 and 24 were placed in unsubsidized summer employment.	Yes	DOES reported that private sector data are validated against the youths' hardcopy applications. All unsubsidized placements are entered into the SESA Automated Reporting System and become a part of DOES' overall job placement performance reported annually to the U.S. Department of Labor.
3 Job Fairs for District residents	Yes	DOES reported that it has participated in job fairs held by eight different organizations.	No	DOES stated that no documentation is generally maintained, with the exception of Standard Employment Service registration forms that become a part of the SESA Reporting System.
\$575,000 collected on back wages due underpaid workers in the District	Yes	DOES reported that \$660,173 in actual back wages has been collected as of August 31, 2000.	Yes	A database is maintained containing information on back wages collected and the number of audits conducted. All collections are logged in and receipted by staff. Case files including samplings of the employer's payroll records, copies of written audit findings, and copies of collection receipts support the integrity of the database. Monthly reports from the database are generated and reviewed for accuracy.

Attachment

FY 2000 performance goal (agency or office responsible)	Did the agency or office report that the target had been met?	Did the agency or office describe a system or procedures that it had in place for ensuring the credibility of its performance data?
Yes/No	Comments	Yes/No Comments
Department of Consumer and Regulatory Affairs (DCRA)		
95% of complex building permits processed within 30 days	No DCRA reported that 91% of complex building permits are processed within 30 days. A District official stated that the average processing time for complex permits has declined from more than 30 days in October 1999 to 21.5 days in August 2000.	No No information was provided in response to this question.
8 inspections per day per inspector	Yes Data provided by DCRA showed an average of between 8 and 10 inspections per inspector per day.	No No information was provided in response to this question.
500 nuisance properties cleaned and abated	Yes DCRA reported that 1,294 properties have been cleaned and abated through August 2000.	No No information was provided in response to this question.
Office of Banking and Financial Institutions (OBFI)		
Baseline data on capital and credit available by ward by June 2000	No OBFI reported that it was not able to obtain data on ward-by-ward capital and credit availability, due to proprietary issues banks would face by providing this information in such a strictly defined manner. OBFI is considering redefining the measure for future years.	No OBFI listed sources and documents utilized to ensure the accuracy of data collected, including bank officials, bank annual reports, and the Federal Deposit Insurance Corporation. However, OBFI was unable to obtain the data it needed to achieve its goal as it was defined.
Metropolitan Police Department (MPD)		
8% reduction over prior year incidents in homicides (calendar year goal)	No (this is a calendar year goal) MPD reported that between January 1 and September 12, 2000, 174 homicides were reported, representing a 7% increase over the same period last year. However, MPD noted in the case of homicides the totals are so small that monthly fluctuations significantly affect the overall annual percentage change.	Yes MPD reported that to ensure the accuracy and reliability of performance data related to crime statistics, its Central Crime Analysis Unit updates homicide statistics each morning and compares these figures to similar ones generated daily by the Homicide Investigations Unit. Further, MPD staff crosscheck daily statistics with the monthly performance measure figures before releasing them.
80% of sworn positions budgeted for civilianization with civilians in them	No MPD reported a 61% achievement rate for this measure, and that no further progress is expected because of budgetary constraints.	No However, MPD provided information on how it obtained its data. MPD stated that the Human Services Division tracks the progress on civilianization through a hiring report that is produced by name and position.
Average telephone response time No to 911 emergency calls for service of 5 seconds	No MPD reported that for the period January 1-August 31, 2000, the average telephone response time was 5.3 seconds.	No No information was provided in response to this question.

Attachment

FY 2000 performance goal (agency or office responsible)	Did the agency or office report that the target had been met?	Did the agency or office describe a system or procedures that it had in place for ensuring the credibility of its performance data?		
	Yes/No	Comments	Yes/No	Comments
Department of Corrections (DOC)				
1,800 prisoners transferred to Federal Bureau of Prisons (FBOP) facilities	Yes	DOC reported that it has transferred 2009 inmates to the Federal Bureau of Prisons through September 12, 2000.	Yes	DOC stated that it uses the transfer lists from the FBOP to ensure the accuracy of its data. DOC stated that it checks inmates' names on the FBOP lists against the names of the inmates whom it had certified as meeting the criteria for transfer to FBOP. Office of Case Management staff also are present when the actual transfer of inmates occurs.
Public Library				
150 personal computers that access the library online catalog	Data not received		Data not received	
Commission on the Arts and Humanities				
35% of D.C. Public School students served by the Arts in Education Program	Yes	The Commission reported that 55% of D.C. Public Schools students have been served by the Arts in Education Program through August 2000.	Yes	The Commission stated that the accuracy and reliability are established through staff visits to grantees, teacher evaluation, and evaluation of final report documents.
Department of Human Services (DHS)				
829 Rehabilitation Services Administration (RSA) customers achieving successful employment (90 days or more)	No	DHS reported that 688 RSA customers have achieved successful employment through August 2000. However, DHS also stated that it expected the target to be met by the end of the fiscal year.	Yes	RSA stated that it has developed "Program instructions," which involve follow-up with the client after placement on a job to ensure that employment outcome data for individuals placed in employment are accurate and reliable. RSA also stated that random samplings of cases are reviewed quarterly to ensure that the case documentation is correct and reliable.
Increase the number of early care No and education caregivers in educational activities over prior year to 3,168		DHS reported that through July 2000, a total of 2,621 caregivers had completed relevant educational/training activities. According to DHS, the 3,168 target was a "Safe Passages" Task Force proposal and was never supported in the budget. The budgetary target should have been a 10% increase over the previous year to 2,789 caregivers.	No	No information was provided in response to this question for this goal. However, DHS did provide information on a goal that was included in the FY 2000 budget—"Increase children in all child care services by 10 percent annually."

Attachment

FY 2000 performance goal (agency or office responsible)	Did the agency or office report that the target had been met?	Did the agency or office describe a system or procedures that it had in place for ensuring the credibility of its performance data?
Yes/No	Comments	Yes/No Comments
Department of Health (DOH)		
3 school-based teen health clinics or wellness centers opened in D.C. Public and Charter schools	No	No information was provided in response to this question.
90% of schools with a school nurse	Unclear	DOH reported that all 148 D.C. Public Schools are covered by a school nurse, and 6 of 38 chartered schools are known to have a school nurse. The goal did not specify whether charter schools were to be included in this measure.
Create 1,000 new drug treatment slots	Unclear	DOH responded by providing data on its two scorecard goals to create 1,000 drug treatment slots for the general population and for those in the criminal justice system, respectively, by the end of the calendar year. DOH reported that 797 new drug treatment slots have been created for the general population, and 832 slots have been made available to those in the criminal justice system. The goal did not specify whether the slots were for the general population, for those in the criminal justice system, or both groups combined.
Department of Parks and Recreation (DPR)		
100% of playgrounds meeting national consumer safety standards	Unclear	Although it reported that it has already met this goal, DPR also reported that the goal would be met as of December 30, 2000. However, DPR provided information on how it obtained its data. DPR stated that it has contracted with a certified playground inspector to perform regular inspections of all of its playgrounds.
Department of Public Works (DPW)		
90% of utility cuts permanently repaired within 45 days of completed utility work	Yes	DPW reported that 100% of utility cuts are permanently repaired within 45 days of completed utility work. However, DPW noted that this number excluded (1) cuts that were held for permanent repair because of coordination with other work, and (2) cuts that were scheduled only for weekend work.

Attachment

FY 2000 performance goal (agency or office responsible)	Did the agency or office report that the target had been met?		Did the agency or office describe a system or procedures that it had in place for ensuring the credibility of its performance data?	
	Yes/No	Comments	Yes/No	Comments
6,000 new trees planted (calendar year goal)	No (this is a calendar year goal)	DPW stated that this goal will be met by the December 31, 2000, deadline. DPW reported that it has planted 4,194 trees between October 1999 and April 2000, and it expects to plant an additional 2,500 trees before the end of the calendar year.	No	However, DPW provided two contracts for tree planting.
100% of potholes filled within 72 hours of report	No	DPW reported that 80.2% of potholes are No repaired within 72 hours. However, this average covered only a recent 3-week period, the period for which DPW stated that reliable records existed.		No information was provided in response to this question.
Department of Motor Vehicles				
45 car inspections completed per No hour		DMV reported that due to changes in operation strategies, it may not achieve this goal. As of August 2000, the year-to- date average is 44 cars per hour.	Yes	DMV stated that the Lane Control Computer System collects data for this goal by recording the number of vehicles that are serviced by the inspection station.
Total	Yes - 12 No - 12 Unclear - 4 Data not received - 1 (Totals do not include two calendar year goals)		Yes - 8 No - 21 Unclear - 1 Data not received - 1	

GOVERNMENT OF THE DISTRICT OF COLUMBIA
EXECUTIVE OFFICE OF THE MAYOR

OFFICE OF COMMUNICATIONS



ONE JUDICIARY SQUARE
441 FOURTH STREET, N.W.
SUITE 1100
WASHINGTON, D.C. 20001
(202) 727-6224

FOR IMMEDIATE RELEASE:
October 3, 2000

CONTACT: Lydia Sermons
Elena Temple
(202) 727-5011

PERFORMANCE MANAGEMENT IN THE DISTRICT OF COLUMBIA
BUILDING ON A STRONG FOUNDATION

TESTIMONY OF MAYOR ANTHONY WILLIAMS

SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT, RESTRUCTURING
AND THE DISTRICT OF COLUMBIA
COMMITTEE ON GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

OCTOBER 3, 2000

Chairman Voinovich, Senator Durbin, members of the Subcommittee, thank you for the opportunity to testify before you today on performance management in the District of Columbia. I am glad to have this opportunity to detail the progress we are making in the District—improving service delivery, accountability and confidence of our citizens.

When we met in May, I described the components of the performance management system that the District implemented during the first year and four months of my administration. These components include:

- A Citywide Strategic Plan, crafted by our citizens to reflect their priorities.
- Scorecards that present clear goals and deadlines to the public.
- Agency-Specific Strategic Plans that outline fundamental changes in the way each of our agencies would conduct business.

And individual performance contracts that translate our larger, citywide plans into tangible, personal commitments—measures by which I can judge the success of each of my cabinet members.

By utilizing this system of performance management, I believe we can make three important changes in the way our government operates—changes that will make our government more efficient, effective and responsive. Our goal is to:

- 1) Instill the values of performance and accountability in the minds and day-to-day habits of every District employee.
- 2) Improve the quality and credibility of our reports and performance data, to clearly communicate our progress to District government managers, our Council, this Congress and – most importantly – the public.
- 3) And incorporate these components into our budget – so we allocate resources wisely, based on known prior results and clear future goals.

Responses to the GAO Report

Shortly before we met last spring, the U.S. General Accounting Office issued its report that assessed our initial performance accountability report. The GAO's report raised several concerns about our system of performance management and data tracking. Specifically, those concerns were that the District did not:

- identify managers most directly responsible for achieving each performance goal or their immediate supervisors;
- specify two levels of performance for each goal, acceptable and superior performance;
- and describe the status of District government activities subject to a court order or and the requirements placed on the District by the courts.

During the course of my testimony today, I would like to address each of those concerns and describe what the District is doing to improve for the future.

Congressional Reporting Requirements

The GAO's primary concern was the extent to which we complied with Congressional reporting requirements.

We addressed their concern through four measures:

- 1) Identifying managers and supervisors responsible for achieving each goal in our FY 2001.
- 2) Collaborating with your staff to draft legislation to reconcile Congressional and District deadlines
- 3) Eliminating the provisions for two levels of performance for each goal; and
- 4) Agreeing upon a set of major equity cases that the District will include in future performance accountability reports until or unless those cases are resolved.

Now that this system of checks and balances is in place, our future performance plans and reports will comply with Congressional guidelines and will be submitted by the established deadlines.

Building an Effective Performance Management System

During the summer, we had many conversations with officials from the GAO—conversations that proved informative and instructive for both parties. Together, we have addressed the substance of the District's performance management system:

- the components we have in place,
- the need for continuous review,
- the alignment of our Citywide Strategic Plan with our individual agency plans
- and the critical need to improve the quality and credibility of our performance data.

I am pleased to report that we have made important progress in each of these areas.

Components in Place

First, we have created written agency strategic plans and performance contracts for agency directors on my cabinet. Second, our agency directors have adopted the Citywide Strategic Plan as their unifying vision and we are working together on crosscutting initiatives. Third, our agency directors will review their strategic plans this fall to identify priorities that have changed over the last year to extend those plans through FY 2002.

Need for Alignment

Our challenge now is to explicitly align these agency plans with the Citywide Strategic Plan, so each city employee understands his or her role in achieving their agency's objectives and supporting the Citywide Plan. We have to ensure that every District employee, regardless of their position, understands that they are the people who can improve our government. We also must demonstrate to our residents how the day-to-day operations of our agencies support the Citywide Strategic Plan.

Ensuring Credible Data

The GAO's findings during their sampling of our FY 2000 performance measures indicate that variations still remain in our data. I am concerned that few agencies provided summaries of their own internal data collection and management practices regarding the 31 measures that the GAO sampled. I also know that while many of our agencies have their own internal standards they are not sufficient to pass independent review.

We are already working to correct this problem. When we unveiled our Scorecards last spring, I asked the Inspector General to begin to audit selected Scorecard and performance contract measures for FY 2000. I wanted to determine the most common problems, propose means address to them and ensure that agencies have sufficient internal quality controls for success in FY 2001. To ensure we are making progress, the OIG will audit selected performance data prior to the submission of the District's FY 2000 performance accountability report to Congress in March 2001.

Accountability at All Levels

As you all know, plans, goals and measures alone cannot succeed. For our city government to become self-sufficient, we have to change the behaviors and beliefs of District employees at all levels of government.

I have a commitment to create accountability among my cabinet and their senior-most deputies. We need to grow that commitment among middle managers, program managers and front-line service employees throughout the District government. That is the goal of our Management Supervisory Service: to provide performance incentives to senior and middle managers. Through the D.C. Office of Personnel Performance Management Program, we are establishing individual performance plans with goals and objectives for our agency middle managers and excepted service personnel in the Office of the Mayor.

Tying Resources to Results

Among our most critical alignments is the alignment of performance goals and agency budget submissions. For our performance management system to work there must be a clear link between performance goals and budget allocations, between expenditures and end results. Each consecutive District budget has improved the relationship between resources and results but we have substantial work remaining in this area as well.

Our new Deputy Mayor and City Administrator, John Koskinen and our Chief Financial Officer, Dr. Natwar Gandhi, are working closely to ensure that the program and financial staffs are integrating performance goals into agency budget submissions. First, our FY 2002 budget instructions will clearly define how agencies should relate their goals and measures to resources. Second John's experience as Deputy Director for Management of OMB will enhance our ability to achieve this goal. While we are making progress, I anticipate it will take another two full budget cycles before we have established lasting relationships between financial and performance measures.

Streamlining Agency Goals

The GAO's review of our 1999 year-end report noted 542 goals in the District of Columbia Financial Responsibility and Management Assistance Authority's FY 1999 Performance Accountability Plan. GAO and the District both felt that was an excessive number of goals to effectively manage and track. Yet GAO notes that our FY 2000 plan has 417 and our FY 2001 plan may have more. Agencies need to identify and focus on core strategic goals. Each agency will maintain an internal set of operating measures that support their strategic goals and many of these will be reflected in directors' performance contracts. However, for the FY 2002 performance accountability plans our agencies will be more selective in establishing critical goals and measures.

Performance to Date

Now, let me turn to some of our recent accomplishments on the District's Scorecard Goals that we have completed since we met in May.

- *Engaging employees at all levels in the implementation of the City-Wide Strategic Plan.* Since September, more than 450 employees in 22 agencies have participated in "alignment workshops" and are prepared to conduct workshops in their own agencies throughout FY 2001. This way, we foster ownership of the Strategic Plan by having employees bring the plan to their peers.
- *Resurfacing 150 blocks of streets and alleys.* By July, we had resurfaced 200 blocks and to date we have resurfaced over 300 blocks—more than 30 miles of the District's streets. We have issued contracts to continue to resurface streets throughout 2000-2001.
- *Continuing our commitment to e-government* by launching 5 new information and service delivery features on the District website, www.washingtondc.gov.
- *Replacing the lions on the Taft Bridge.* The lions – which were removed in 1993 – held great historical significance for residents of the District. We committed to returning the lions by this July. They were indeed returned in July. Their return is symbolic of a government that keeps its commitments to its citizens.

- *Putting 200 more officers on the street.* This has been achieved through lateral hires of police from other jurisdictions, regular academy classes and the August redeployment of nearly 1,000 officers who now spend one week each month patrolling in the District's neighborhoods. From our residents' perspective, that means more than 200 additional police on the street every day. As with the lions, we set a deadline – in this case, September – and we met it.

In addition to the timely completion of these goals, I am pleased to report that the Department of Motor Vehicles has reached one of its performance targets ahead of schedule.

Our DMV committed to reducing the time that customers wait in line to 30 minutes or less for 80 percent of driver's license and registration transactions by October. We actually exceeded that performance level in May, as 82 percent of wait times were less than 30 minutes. But we fell below the target in the months of June-July, as we introduced new digital photography technology. Now that our DMV personnel are comfortable with the new equipment, they met the 80 percent target again in August. I anticipate that our DMV will sustain and improve their Scorecard performance through October and beyond.

Future Revisions to the Citywide Plan

In my staff's discussions with the GAO, the evaluators noted that we had not directly engaged all the relevant stakeholders in reviewing and refining the Citywide Strategic Plan.

In developing our first Citywide Plan, we focused our outreach efforts on the residents of the District of Columbia. We brought together more than 3,000 residents in November 1999 to share my cabinet's draft plan with them. Based on their input, we significantly redrafted the plan, allowing the citizens of our city to reorient our plans and priorities.

During 2000, however, we will expand our outreach. First, we will engage more than 4,000 residents in neighborhood planning forums to identify priorities unique to their neighborhoods and communities. Second, as we prepare to update the Citywide Plan in fall 2001, we will engage a wider range of stakeholders in the review process for the Strategic Plan. In addition to our residents, we recognize the role of local businesses, our Council, and this Congress in helping the District identify and realize its goals.

Improving Performance, Confidence and Morale

Chairman Voinovich, Senator Durbin, members of the Subcommittee, I want residents to know that their government is focused on service delivery and accountability—being responsive to the needs of its people. I want them to know that services will be efficient, effective and delivered on time. I want District employees to be proud of working for the District and to have the resources and management support to achieve their agencies' and their personal goals. And I want our Council and this Congress to have confidence in the District's day-to-day financial and operational management, so we can collectively focus on broader issues of strategy and policy.

There is much work left to be done. But based on the newfound successes of our performance management system, I feel confident we can make the necessary improvements and enhance the effectiveness of this government.

Thank you for the opportunity to testify today. I will be glad to answer any questions you might have.

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